(Madras Act V of 1920) to amend the second proviso to sub-rule (1) *of rule* 51 *of Schedule IV to the said Act be approved:—*

Draft rule.

In the second proviso to sub-rule (1) *of rule* 51 *of the said schedule for the words " fees realizable " the words " fees realized in the preceding school year " shall be substituted.'*

Sir, there have been a number of Government Orders issued in connexion with fee concession that it should not exceed 10 per cent of the fee realizable. Some local boards have been permitted to fix various percentages in fee concessions granted to students in schools. As the rule is now worded the fee concession will have to be below the fees realizable during the current year.

3-15 p.m. " Difficulty has arisen in estimating the exact amount of fees that will be realized during the school year as the strength of the school and the amount of fee income realized may vary from month to month. It has therefore been considered desirable that in fixing the percentage of concessions, the fee income realized during the preceding year may be taken into consideration. It is proposed to make the necessary change on the recommendation of the Director of Public Instruction."

The motion was duly seconded.

* Rao Sahib V. I. MUNISWAMI PILLAI:—" Mr. President, Sir, I rise on this occasion not to oppose the rule which the Hon. the Chief Minister wishes to make. But I want to point out that in certain unhealthy localities it so happens that students do not attend school throughout the year. The schools are closed for a certain part of the year, for instance, when an epidemic is raging in the locality or when certain dangerous infectious diseases are spreading in the locality. In such cases if the calculations are made on the actual fee income in the school during such years, it will work a great hardship. I request the Hon. the Chief Minister to bear this in mind and make suitable provision for it in the shape of exceptions to the general rule."

* The Hon. the RAJA OF BOBBILI:—" I will have the hon. Member's suggestion examined later on."

The motion was put and carried.

VI.—MOTION *RE* INVESTMENT AND UTILIZATION OF THE FAMINE RELIEF FUND.

* The Hon. Mr. G. T. H. BRACKEN:—" Mr. President, Sir, I beg to move—

' That this Council recommends to the Governor-in-Council that the amount to the credit of the Famine Relief Fund of this Presidency be invested in Government of India securities,

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that a Bill be brought before this Council for constituting the securities into a fund to be used only in times of serious famine or flood, and that the Government of India be moved to address His Majesty's Secretary of State for India to make the necessary amendments to the Devolution Rules.'

Sir, I do not think there is a great deal to be said about this matter. The usefulness of the Famine Relief Fund has been proved often in the past. It is an emergency fund, available at short notice to meet cases of famine and failure of rains. The usefulness of this fund was proved only last year in the famine in Bellary and Anantapur. The minimum amount of the fund has been fixed by the Secretary of State at Rs. 40 lakhs. Owing to accumulations the sum rose to about Rs. 60 lakhs. But owing to the recent famine it is now down again to about Rs. 44 lakhs. As I have said this fund has proved its usefulness in the past and the amount is not excessive as the expenditure on one famine, I think it was in Ganjam, was in the neighbourhood of Rs. 39 lakhs. This fund or some similar fund will be even more necessary in future. At present in an emergency, provinces can fall back on the Government of India, but in future that will not be possible. Each province will have to stand on its own legs and finance its own ways and means. I think an emergency fund of this kind will be of great assistance to the new Government as a nest egg to meet sudden emergencies from. No one can tell when the rains will fail and famine result and for the benefit of the unfortunate people who suffer from failure of rains and famine conditions, it is most advisable that Government should have liquid resources at their disposal to meet famine conditions. Of course any Bill passed by this House will not tie the hands of the future Government; they can repeal or alter it as they think fit, but I hope and believe that the new Government will see the necessity for this emergency liquid fund available for famine just as much as the present Government has found the necessity.

" It is important, of course, that this fund should be a liquid fund in easily realizable securities. Otherwise it would not serve the purpose in view and it is for that reason that investment in Government securities is proposed. The securities could be easily realized and in case of sudden emergency an advance could be obtained on it from any bank or possibly from the Reserve Bank."

* Rao Bahadur Sir A. P. PATRO :—" I second it. I think the House will agree to the course proposed by the Hon. Finance Member to take the amount to the credit of the famine fund from the Government of India and invest it in Government securities. The Government of India, I presume, are paying little interest on the amount . . ."

The Hon. Mr. G. T. H. BRACKEN :—" The amount at present bears a rate of interest 1 per cent lower than the amount at which we borrow from the Government of India. The fund is bearing an interest of $2\frac{1}{4}$ per cent."

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* Rao Bahadur Sir A. P. Patro:—" I thank the Hon. the Finance Member. I do not see why we should lose 1 per cent interest. The policy of the Government of India has always been to have our money with them to their advantage. But if we want to liquidate the loans taken from them at a higher rate of interest by raising loans at lower rate of interest they would not agree to it. The proposal of the Government is to take back the sum to the credit of the famine fund from the Government of India and invest it in Government securities which we can easily convert in times of necessity or urgency. It is a very wise and prudent step and I am sure the House will be at one with the Hon. the Finance Member in the course he has proposed to adopt. It is indeed very creditable of the Government to have come forward with this proposal."

Mr. K. Koti Reddi:—" Mr. President, Sir, I have just given notice of an amendment to the following effect:—

> '*In line* 6, *between the word* " *flood* " *and the words* " *and that the Government of India* " insert *the words* " *or to construct irrigation works as a protection against famine* ".'

" With your permission Mr. President, I would say a few words.

" Sir, even to-day I believe the famine relief fund can be utilized on the construction of small irrigation works which are intended to be a protection against famine. Not merely repairs but even construction of new irrigation works also can be financed from this fund. Perhaps the Government will have to get the sanction of the Government of India for this. Anyhow, I think it is absolutely necessary that a provision to that effect should be there if it is not there at present. I hope the Government will agree to my amendment which seeks to include the construction of protective irrigation works also as one of the items on which the money from the famine relief fund can be spent. For the rest I am glad that the Government have come forward with the proposal to take away the fund from the Government of India and invest it in Government securities which will fetch a higher rate of interest than what the Government of India are now giving.

" Mr. President, this is the small amendment that I wanted to move and I move it."

* The Hon. the President:—" But no hon. Member is willing to second the amendment."

* Diwan Bahadur M. Gopalaswami Mudaliyar:—" Mr. President, I beg to second the amendment. I have the peculiar privilege of coming from one of the most wretched districts which is always suffering from famine. Therefore, with your permission, I should like to say a few words on the amendment of my hon. Friend, Mr. Koti Reddi. I think it would be very useful if the fund could be occasionally utilized for finding water in times of drought. What I have got in mind just now

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is this. I do not know whether the Hon. the Finance Member remembers this or not. Fifteen or sixteen years ago there was serious famine in Bellary and there was great alarm in the penal settlement known as the Alipore Jail, for there were over 6,000 convicts then but there was hardly any water for them to drink.

" The Hon. the Revenue Member, who was in charge of famine, came there, visited the place and said that water is absolutely necessary not only for the 6,000 convicts in that locality but also for those living in the surrounding parts. He sanctioned Rs. 3 lakhs in order to construct wells in the tank of Alipore. It was because of that action, incidentally relief was given to the Bellary town itself by having a protected water-supply scheme. It was asked: When a sum of Rs. 3 lakhs is being spent for this purpose, why not give Rs. 16 lakhs for the citizens of Bellary to speed up the protected water-supply scheme. That was the reason why we have a protected water-supply scheme which will not necessitate sinking of wells now. In places other than Bellary town, I think it will be necessary to find water for drinking and other purposes. I therefore think that it is very desirable that some such amendment should be added. I do not know how to put it; I do not quite approve the words of the amendment. I leave it to the Hon. the Finance Member to suggest the necessary alteration. My idea underlying the suggestion is that the amount may also be utilized for the purpose of supplying water to the distressed people in famine areas." 3-30 p.m.

* The Hon. Mr. G. T. H. Bracken :—" Mr. President, Sir, I am not quite clear as to what the mover of the amendment meant, whether the accretions to the famine fund should be used for protective works or whether the corpus of the fund should be used for protective works. If he meant the whole corpus to be used for protective works, that will mean tying it up and the money will not be readily available at the moment required, and that I think would be very undesirable. On the other hand I think there is some point in allowing the accretions to the fund to be used for the purpose the hon. Member has in view. What I mean is we should keep at least Rs. 40 lakhs as liquid reserve for any occasion and the interest on it can be utilized for the purpose the mover of the amendment has in view. I will be quite prepared to recommend to the Government of India that that be permitted. If this resolution is accepted by this hon. House, a Bill will be introduced carrying out the purposes and any details can be put into this Bill. I would therefore suggest to the hon. Mover of this amendment that he may withdraw it on the undertsanding that arrangements will be made to allow the accretions to the fund to be used for the purpose he has in view."

Mr. K. Koti Reddi :—" I beg leave to withdraw my amendment, as the assurance of the Hon. Member will serve the purpose I have in view."

The amendment was by leave withdrawn.

The main motion was put and carried.